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DEC 1, 2003

MONTANA STATE LIBRARY



BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



COPIES COLLECTION

DEC 1 2003

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EFFECTIVE:

December 1, 2003
January 1, 2004
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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%
CLASS I BUTTERFAT PRICE PER POUND

\$16.39 /CWT
\$1.31 /LB

EFFECTIVE JANUARY 1, 2004:

The minimum price to pay milk producers, under ARM 32.24.301, is \$16.39 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 13.1 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.31.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$11.19 /CWT

Average spray process dry milk solids

price per pound = \$0.85750
Multiplied by 8.2 x 8.2

\$7.03150

\$7.03150

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$1.23750
Multiplied by 4.2 x 4.2

\$5.19750

+ \$5.19750

\$12.22900

LESS a make allowance of 8.5% (\$12.2290 X .085)

- \$1.03947

\$11.18954

Rounded to the nearest whole cent = \$11.19 /hundredweight.

EFF: January 1, 2004

CLASS II BUTTERFAT PRICE PER POUND**\$1.37 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$1.23750	X .111)	=
				=
Rounded to the nearest half cent				=
				\$0.13736
				\$0.137

Butterfat value per pound	
for milk at 3.5% test:	\$1.37

Hundredweight price of milk testing 3.5%		=	\$11.19
LESS 3.5 pounds of butterfat at	\$1.37	per pound	=
Value of 96.5 pounds of skim			=
			\$4.795
			\$6.395

**CLASS II VALUE OF
ONE POUND OF SKIM**

6.395 / 96.5 pounds)	=	\$0.06627 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$9.52 /CWT**

3.5 pounds of butterfat	\$1.11	per pound =	\$3.885
96.5 pounds of skim	\$0.05836	per pound =	\$5.632
			\$9.517 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$1.11 /LB**

Last quote of the month for Grade AA butter	
minus a difference of \$.0895	=
	\$1.23750
LESS 10%	-
	\$0.12375
	\$1.11375

Rounded to the nearest whole cent	=	\$1.11	per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$5.83615 /CWT**

Avg. spray process dry milk solid price/lb :	\$0.85750
Multiplied by 8.2	8.2
	\$7.03150
LESS 17%	\$1.19536
	\$5.83615

Rounded to the nearest whole cent	\$5.84	per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick
 Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$16.39 FOR 3.5% MILK 96.5 LBS = \$11.805		CLASS II SKIM PRICE BASED ON \$11.19 FOR 3.5% MILK 96.5 LBS = \$6.395		CLASS III SKIM PRICE BASED ON \$9.52 FOR 3.5% MILK 96.5 LBS = \$5.632	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.12108	2.50	\$0.06559	2.50	\$0.05776
2.55	\$0.12114	2.55	\$0.06562	2.55	\$0.05779
2.60	\$0.12120	2.60	\$0.06566	2.60	\$0.05782
2.65	\$0.12126	2.65	\$0.06569	2.65	\$0.05785
2.70	\$0.12133	2.70	\$0.06572	2.70	\$0.05788
2.75	\$0.12139	2.75	\$0.06576	2.75	\$0.05791
2.80	\$0.12145	2.80	\$0.06579	2.80	\$0.05794
2.85	\$0.12151	2.85	\$0.06583	2.85	\$0.05797
2.90	\$0.12158	2.90	\$0.06586	2.90	\$0.05800
2.95	\$0.12164	2.95	\$0.06589	2.95	\$0.05803
3.00	\$0.12170	3.00	\$0.06593	3.00	\$0.05806
3.05	\$0.12176	3.05	\$0.06596	3.05	\$0.05809
3.10	\$0.12183	3.10	\$0.06600	3.10	\$0.05812
3.15	\$0.12189	3.15	\$0.06603	3.15	\$0.05815
3.20	\$0.12195	3.20	\$0.06606	3.20	\$0.05818
3.25	\$0.12202	3.25	\$0.06610	3.25	\$0.05821
3.30	\$0.12208	3.30	\$0.06613	3.30	\$0.05824
3.35	\$0.12214	3.35	\$0.06617	3.35	\$0.05827
3.40	\$0.12220	3.40	\$0.06620	3.40	\$0.05830
3.45	\$0.12227	3.45	\$0.06624	3.45	\$0.05833
3.50	\$0.12233	3.50	\$0.06627	3.50	\$0.05836
3.55	\$0.12240	3.55	\$0.06630	3.55	\$0.05839
3.60	\$0.12246	3.60	\$0.06634	3.60	\$0.05842
3.65	\$0.12252	3.65	\$0.06637	3.65	\$0.05845
3.70	\$0.12259	3.70	\$0.06641	3.70	\$0.05848
3.75	\$0.12265	3.75	\$0.06644	3.75	\$0.05851
3.80	\$0.12271	3.80	\$0.06648	3.80	\$0.05854
3.85	\$0.12278	3.85	\$0.06651	3.85	\$0.05857
3.90	\$0.12284	3.90	\$0.06655	3.90	\$0.05860
3.95	\$0.12290	3.95	\$0.06658	3.95	\$0.05863
4.00	\$0.12297	4.00	\$0.06661	4.00	\$0.05867
4.05	\$0.12303	4.05	\$0.06665	4.05	\$0.05870
4.10	\$0.12310	4.10	\$0.06668	4.10	\$0.05873
4.15	\$0.12316	4.15	\$0.06672	4.15	\$0.05876
4.20	\$0.12323	4.20	\$0.06675	4.20	\$0.05879
4.25	\$0.12329	4.25	\$0.06679	4.25	\$0.05882
4.30	\$0.12335	4.30	\$0.06682	4.30	\$0.05885
4.35	\$0.12342	4.35	\$0.06686	4.35	\$0.05888
4.40	\$0.12348	4.40	\$0.06689	4.40	\$0.05891
4.45	\$0.12355	4.45	\$0.06693	4.45	\$0.05894
4.50	\$0.12361	4.50	\$0.06696	4.50	\$0.05897

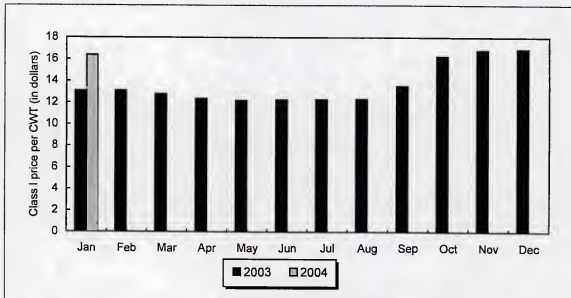
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2003 and 2004

Statistics from the Montana Milk Control Bureau

Month	2003	2004	Difference	% Change
January	\$13.07	\$16.39	\$3.32	25.40%
February	\$13.11	\$0.00	\$0.00	0.00%
March	\$12.78	\$0.00	\$0.00	0.00%
April	\$12.36	\$0.00	\$0.00	0.00%
May	\$12.19	\$0.00	\$0.00	0.00%
June	\$12.26	\$0.00	\$0.00	0.00%
July	\$12.29	\$0.00	\$0.00	0.00%
August	\$12.32	\$0.00	\$0.00	0.00%
September	\$13.52	\$0.00	\$0.00	0.00%
October	\$16.26	\$0.00	\$0.00	0.00%
November	\$16.82	\$0.00	\$0.00	0.00%
December	\$16.92	\$0.00	\$0.00	0.00%
Average	\$13.66	\$16.39	\$3.32	25.40%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

OCT 2003: class I = \$9.86; class II = \$1.23; Class III = \$2.77; total = \$13.87

(calculations based upon utilization percentages of butterfat & skim)